Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, Ph.D.

CC: ITS Project Number 43070

Date: September 13, 2016

Re: Sole Source Certification Number 3946 to provide software support and maintenance for the Orchard Harvest Laboratory Information System (LIS) for Mississippi State Hospital (MSH)

Contact Name: Michelle Smith

Contact Phone Number: 601-432-8057

Contact E-mail Address: michelle.smith@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3946 for software support and maintenance for Orchard Harvest Laboratory Information System (LIS) for Mississippi State Hospital (MSH), please be advised that ITS intends to award Orchard Software Corporation, as the sole source provider of software support and maintenance for the Orchard Harvest LIS through August 31, 2019, in an amount not to exceed $24,521.22. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment C: Sole Source Procurement Overview.

Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

    No other source exists to provide software service and support for the proprietary LIS in use with MSH's electronic healthcare records (EHR) system. MSH uses LIS to provide laboratory services for in-patients receiving acute care at Whitfield Medical Surgical Hospital on the MSH campus. The customer's sole source certification request is included as Attachment A.

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:

    The LIS software provides medical laboratory functionality for lab test ordering, processing, documenting, and HL7 messaging/interfacing with MSH's CoCENTRIX CCP EHR system. MSH has made the business decision to continue using LIS. The customer's sole source certification request is included as Attachment A.

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

Orchard Software is the only vendor that can supply the necessary support and upgrades of the software and existing system. The Vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	09/13/16
Second Advertisement Date	09/20/16
Response Deadline From Objectors	09/27/16 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 09/28/16

Project Details

In Fiscal Year 2008, Mississippi State Hospital (MSH) requested and received approval to purchase a laboratory information system through the Department of Finance and Administration's (DFA) Office of Purchasing and Travel at the purchase price of $58,800.00. Since then, MSH has paid $96,848.35 for annual software maintenance, software enhancements, new hardware, training, and professional services.

In 2015, ITS issued a sole source to Orchard software on behalf of MSH for $23,797.55 in order to interface the LIS with CoCENTRIX CCP EHR. The total lifecycle cost for this project is $179,445.90.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the support and maintenance for Orchard Harvest LIS software should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to Orchard Software Corporation.

    1.1   Interested Party Information

        1.1.1   Contact Name, Phone Number and email address

        1.1.2   Company Website URL, if applicable

    1.2   Objection to Sole Source Certification

        1.2.1   Interested parties must present specific objections to the Sole Source certification using the criteria listed above.

        1.2.2   A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.

    1.3   Comments will be accepted at any time prior to Tuesday, September 27, 2016, at 3:00 p.m. (Central Time) to Michelle Smith at michelle.smith@its.ms.gov or at the Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility

of the Interested Parties that responses reach ITS on time. Interested Parties may contact Michelle Smith to verify the receipt of their Responses. Responses received after the deadline will be rejected.

1.4 Interested Party responses should include the following information:

SUBMITTED IN RESPONSE TO **Sole Source Certification No. 3946-43070** **Accepted until September 27, 2016 @ 3:00 p.m.,** **ATTENTION: Michelle Smith**

If you have any questions concerning the information above or if we can be of further assistance, please contact Michelle Smith at 601-432-8057 or via email at michelle.smith@its.ms.gov.

Attachment A: Customer Sole Source Certification Request
Attachment B: Vendor Correspondence
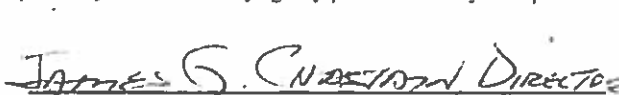Attachment C: Sole Source Procurement Overview

Attachment A

iTS
mississippi department of
Information Technology Services

Sole Source Certification Request

Project Title: Orchard Harvest LIS Support	**Stimulus (ARRA) Funds? Yes__ No _X_**

Customer Contact Information

Agency/Public University: Mississippi State Hospital Address: P.O. Box 157-A Whitfield, MS 39193	Contact Person: Bart Uharriet Phone: 601-351-8167 Fax: 601-351-8334 Email Address: bart.uharriet@msh.state.ms.us
MAGIC Customer Number (only required from state agencies): 7000000269	Division/Dept.: Handmail: ☒ Yes ☐ No

Project Summary *Narrative Description of Project* (include details of original acquisition if applicable): In FY2008, Mississippi State Hospital (MSH) requested to purchase a laboratory information system through DFA Office of Purchasing at the purchase price of $58,800.00. At the time, this type of procurement did not require ITS approval. Since then, MSH has paid $96,848.35 for annual software maintenance, software enhancements, new hardware, and training and professional services. This request is for the continued maintenance for 3 years.

ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):

Cost Estimates *Fiscal Year*	*Initial Costs*	*Ongoing Costs*	**Time Constraints** Item Needed by: October 1 Funds Expire: December 31	**Anticipated Lifecycle of Products/System** (i.e. estimated years of effective use): 3 years
FY17		$8,173.74	**Discuss Funding** (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds). Funding is definite	
FY18		$8,173.74		
FY19		$8,173.74		
Total		$24,521.22		

Acquisition Details

Items Requested	Quantity	Description	Building Location(s)
Annual Support	3	Orchard LIS software vendor services and support	B-64, MS State Hospital, Whitfield, MS

Describe platform & infrastructure (connectivity; software/hardware platforms; utilization of State Data Center resources: mainframe, eGovernment portal, payment engine, document management, hosting). For equipment or hosting outside the State Data Center, attach justification: Orchard Harvest LIS is an on-premises system at MSH and it is used by MSH's acute care hospital for laboratory orders.

Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? E-mails to open a procurement request have been communicated with staff at ITS.

Sole Source Certification Note: Certification must be renewed for each revision or continuation of previous Sole Source Approvals.

Specific business requirements to be met by the requested products or services: No other source exists to provide software service and support for the proprietary LIS in use with MSH's electronic healthcare records (EHR) system. MSH uses LIS to provide laboratory services for in-patients receiving acute care at Whitfield Medical Surgical Hospital on the MSH campus.

Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): The LIS software provides medical laboratory functionality for lab test ordering, processing, documenting, and HL7 messaging/interfacing with MSH's CoCENTRIX CCP EHR system. MSH has made the business decision to continue using LIS.

Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated): Orchard Software is the only vendor that can supply the necessary support and upgrades of the software and existing system.

Explain why the amount to be expended for the services is reasonable:
N/A

Explain what your agency did to obtain the best possible price for the services:
N/A

Vendor's Certification of Sole Source attached: ☒ Yes ☐ No	Vendor's proposal submitted: ☒ Yes ☐ No

MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.

Place Order To Vendor Name: Orchard Software Corporation Vendor Address: 701 Congressional Blvd, Ste 360, Carmel, IN 46032	**Remit To** Vendor Name: Orchard Software Corporation Vendor Address: 701 Congressional Blvd, Ste 360, Carmel, IN 46032

By my signature, I certify that, to the best of my professional knowledge: the requested product or services are a sole source as outlined in the ITS Procurement Handbook, Rule 207.2:013-030 Procurement Types: Sole Source, and as outlined in Mississippi Code annotated Section 31-7-13. In addition, I acknowledge that there is a charge for ITS procurement services associated with this request which will be billed to the requestor by ITS and that my agency/public university is responsible for these charges/costs.

James G. Chastain Director _____ 9/12/2016

Name (Agency Head or Institution CIO)/ Title _____ Signature _____ Date

OrchardSoftware

Harvest the Power

August 3, 2016
In regards to: Sole Source Support Acquisition, Orchard Software Support

Client: Mississippi State Hospital
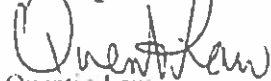Address: Highway 468 West Bldg. 60
        Whitfield, MS 39193

To Whom It May Concern:

This letter is to confirm the following information: Orchard Software Corporation provided the existing Orchard® Harvest™ Laboratory Information System which requires ongoing technical support and upgrades. The system software is proprietary and is not the same as other vendor's similar products. No other vendor can supply the necessary support and upgrades of the software and existing system.

If you need any additional information, please contact me at 800-856-1948.

Best Regards,

Quentin Law
CFO
Orchard Software Corporation

701 Congressional Boulevard, Suite 360 • Carmel, Indiana 46032 • (800) 856-1948 • fax (317) 573-2528
www.orchardsoft.com

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Attachment C: Sole Source Procurement Overview

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website (www.its.ms.gov).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1.   The product or services being purchased must perform a function for which no other product or source of services exists,

2.   The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND

3.   The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment B.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1.   An explanation about why the amount to be expended is reasonable, and

2.   An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of $5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over $5,000 but not over $50,000 (not over $25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than $5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to $250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification above $5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above $250,000 lifecycle cost require ITS approval.

Attachment C: Sole Source Procurement Overview

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS. The customer's Sole Source Certification Request for this project is included as Attachment A.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.